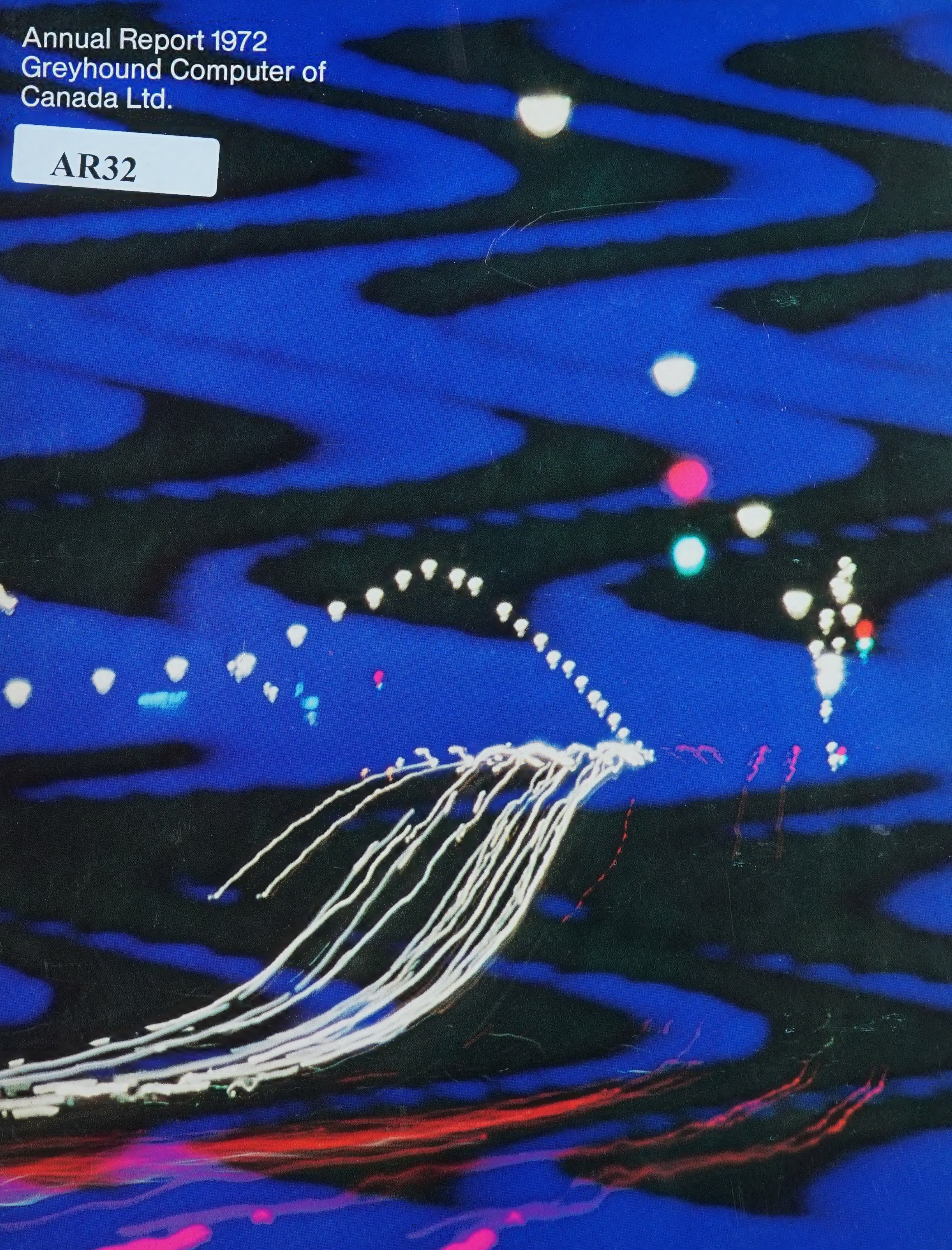
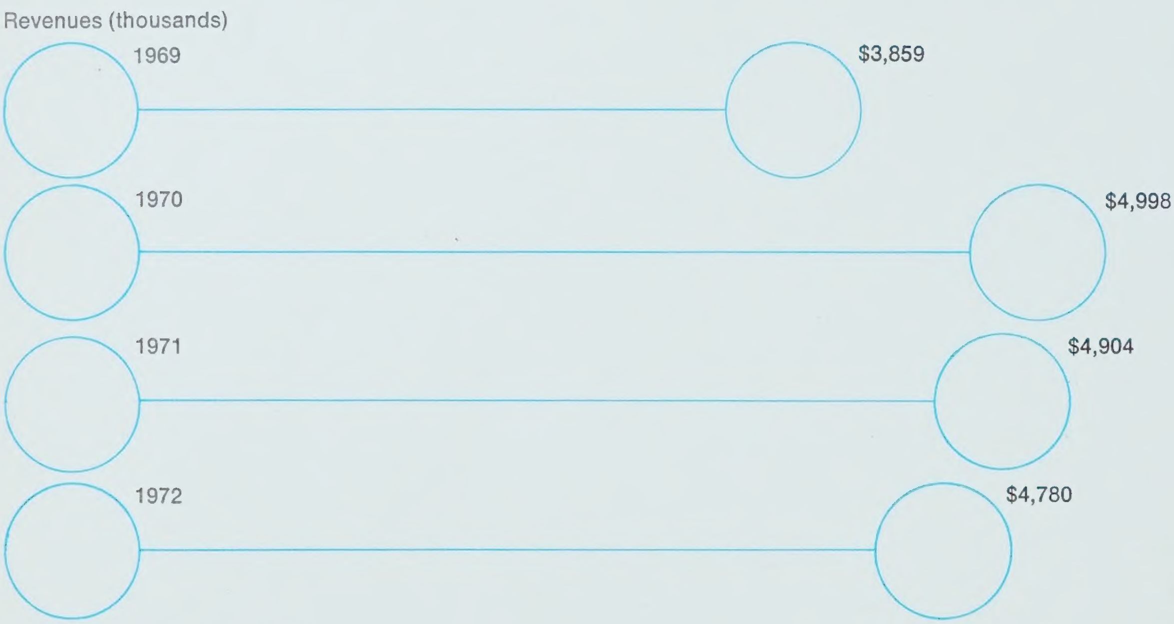
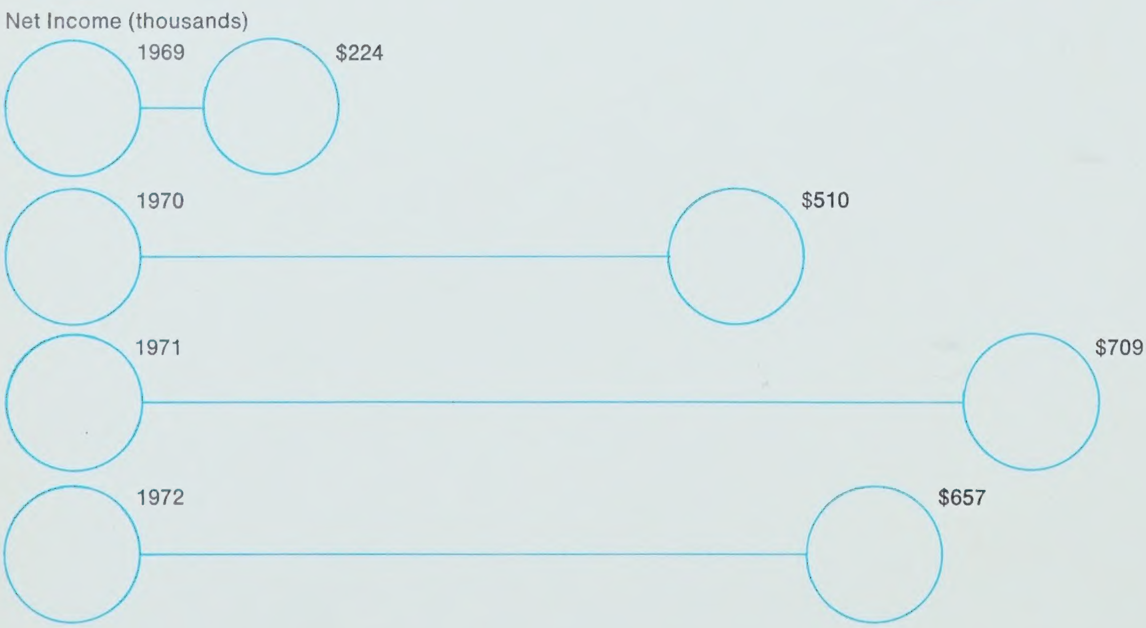
Annual Report 1972
Greyhound Computer of Canada Ltd.



Highlights for the Year 1972

	For the year ended Dec. 31, 1972	For the year ended Dec. 31, 1971	For the year ended Dec. 31, 1970	For the year ended Dec. 31, 1969
Revenue	$ 4,780,156	$ 4,904,495	$ 4,998,345	$ 3,859,431
Income before Provision for Deferred Income Taxes	$ 1,369,272	$ 1,439,795	$ 853,607	$ 446,287
Income before Extraordinary items	$ 657,251	$ 691,102	$ 404,983	$ 237,934
Extraordinary items	—	$ 18,051	$ 105,869	$ (14,297)
Net Income	$ 657,251	$ 709,153	$ 510,852	$ 223,637
Shareholders' Equity	$ 7,069,531	$ 6,412,280	$ 5,703,127	$ 5,192,275
Earnings per Share:				
Before Extraordinary items	16¢	17¢	10¢	6¢
Net Income	16¢	18¢	13¢	6¢
Computer Equipment Owned (at cost)	$22,762,805	$23,505,579	$22,260,945	$22,022,533





1972 Report to the Shareholders

On behalf of your directors, we are pleased to report the results for 1972. Net income of $657,251 provided earnings per share of 16 cents. This compares with $709,153 and 18 cents per share in 1971. Revenues were $4,780,156, down from $4,904,495 in the prior year. The decline in revenues and earnings reflects the impact of IBM's fixed term rates on peripherals and GCC's inability to acquire for lease new computer systems, including System/370 announced by IBM after 1969. In addition, especially in the latter part of the year, we began experiencing higher levels of equipment cancellations resulting principally from the fixed term plan and volume deliveries of IBM's System/370 computers.

We have implemented programs to improve the marketability of our System/360 computer portfolio, and are investigating additional improvements. These enhancements include both extensions and modifications of the capabilities of the equipment itself (hardware) and operating and application programs (software) which improve customer utilization of our equipment.

In spite of these adverse conditions, your company has continued to grow and to expand its areas of activities. During 1972 new products were added and new services were developed.

We continue to be successful in marketing the core memory products of Fabri-Tek, Inc. of Minneapolis, Minnesota. We also were successful in obtaining an agreement with California Computer Products, Inc. (CalComp) of Anaheim, California, to market disk storage and magnetic tape units throughout Canada. The CalComp units are plug-to-plug compatible with similar IBM 360 and 1130 system units. Both the Fabri-Tek and CalComp products enable us to improve the marketability of our present System 360 equipment.

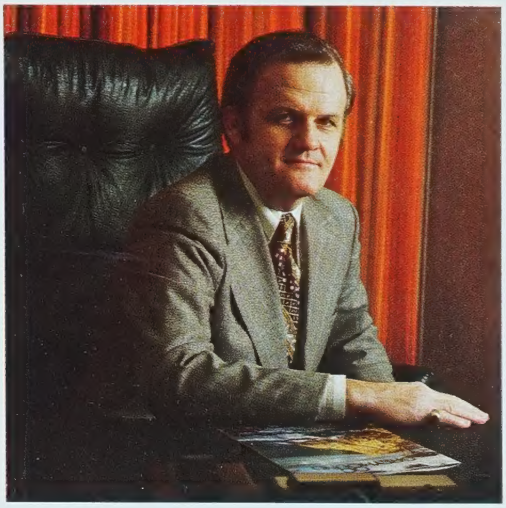
Your company is developing and promoting the concept of Host Facilities, which in its simplest definition is a sharing of computer facilities between two or more users. The first of these facilities is now being organized, and beginning in the spring of 1973, customers in the Toronto area will be offered a full range of data services. This facility also will be available to provide backup for leasing customers and to provide them with extra computer capacity to meet periodic overload requirements.

Our parent company has been successful in implementing a number of these operations in the U.S., and we anticipate developing additional Host Facilities installations upon successful operation of the Toronto facility. The success of this program will provide a potentially larger marketplace for GCC's portfolio of equipment.

Highly motivated, competent individuals are absolutely essential to our success. In planning for the future, this vitally important area is given high priority. With this in mind, your company has expanded its marketing and operations activities in 1972, and this growth is expected to continue in early 1973. A strong sales force is essential for developing new leasing business and for obtaining renewals and re-leases at the expiration of original lease terms. Additional field representatives will enable us to provide extended services to our customers in the future.

Late in 1972 your company purchased Canadian Computer Resources Ltd., a small company in the computer leasing field, and throughout the year we continued to selectively purchase System/360 computer equipment when available on favourable terms. Eight computers were purchased, and together with peripheral equipment represent a total investment of more than $1,300,000. Several of these acquisitions were supported with long term or full payout leases. At year end our portfolio of equipment totalled $22,763,000 at original cost. This equipment consists primarily of 360 systems which are depreciated on a straight line basis to a 10 per cent residual, over ten years, or to December 31, 1979, whichever is the shorter period. As of December 31, 1972, the total portfolio had a net book value of $15,565,000, which is 68% of original cost. There is considerable debate within our industry and a great deal of outside criticism regarding depreciation policies of computer lessors. Our management is continually reviewing our depreciation policies, and we believe the present method continues to be appropriate.

In the U.S., our parent company, Greyhound Computer Corporation, is vigorously pursuing litigation against IBM. Its federal antitrust lawsuit against IBM was tried in U.S. District Court and on July 10, 1972, the Court directed a verdict in favour of IBM. A major count in the lawsuit alleges that IBM's pricing of computer equipment announced since 1969 (including System/370) is specifically designed to preclude independent leasing companies from purchasing and leasing such equipment. We were extremely disappointed by the outcome of this litigation, because IBM's present pricing policies in Canada have effectively prevented



Greyhound Computer of Canada from purchasing any significant quantity of equipment from them for lease. Our parent company and outside counsel believe that the Court erred in its decision and an appeal is now pending in the U.S. Court of Appeals for the Ninth Circuit.

We will continue to closely monitor the progress of this litigation as well as several other significant antitrust actions against IBM in the U.S., including one brought by the U.S. Department of Justice. As long as we are unable to purchase new IBM equipment for lease, we anticipate that our computer leasing revenues and profits will decline. Every possible effort is being expended to overcome this trend, but if we continue to be unable to purchase new computer systems, other growth avenues will be sought.

In September, 1972, a major executive change was made. Thomas J. Rogers was promoted to the position of President and Chief Executive Officer of Greyhound Computer of Canada Ltd. This change resulted from the promotion of your company's previous president, Olie E. Swanky, to the position of President and Chief Executive Officer of Greyhound Computer Corporation, headquartered in Phoenix, Arizona. Mr. Rogers was previously a Regional Vice President with Greyhound Computer Corporation.

On Behalf of the Board,

Thomas J Rogers

Thomas J. Rogers
President and Chief Executive Officer

April 18, 1973

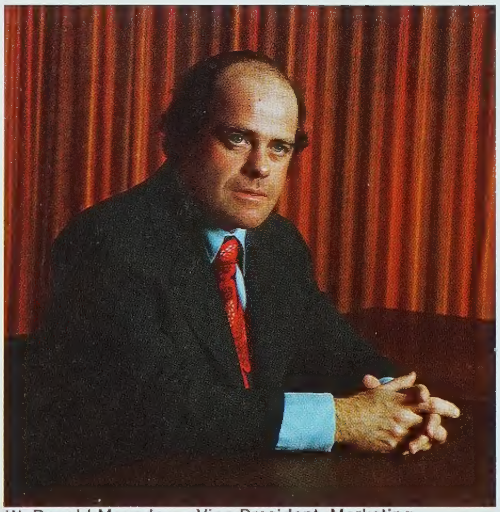
Leasing

The Company is engaged in the continuing management and re-leasing of its present 360 portfolio of equipment, and also in the purchase, sale, lease, financing, and marketing of other computer equipment.

Our major effort is directed to retaining our equipment on lease. This involves renewal of present lease contracts and the re-leasing of returned equipment to new customers. Re-leasing activity continued to increase during 1972 as several leases expired and our equipment was impacted by 370 deliveries.

Marketing of Fabri-Tek equipment continued at a high level. With the addition of CalComp peripheral equipment in our line of products we now have for the first time equipment to be used in conjunction with Univac computer systems.

The combination of attractive lease rates for our 360 equipment, extended core memory capacity, and high performance peripherals allows our users an alternative to IBM with cost savings on systems tailored to their exact requirements. Greyhound Computer's S-T-R-E-T-C-H 360 enhancement program has enabled several Canadian companies to stretch their data processing budget and more and more firms are recognizing the merits of this approach to meeting their data processing requirements.



W. Donald Maunder — Vice President, Marketing

Operations

Equipment assignments, movements, refurbishing, modifications and reconfiguration represent the responsibility of the operations personnel. During 1972 more machines and complex systems were de-installed, moved and re-installed than in any other previous year. Prompt and efficient removal and addition of machine features increases in importance in direct ratio to equipment moves and this area received special consideration. Adding to the problem of volume, the purchase and installation of required features from the manufacturer is an expensive and difficult undertaking due to the complex technical details and the long lead time required for delivery. The past year's activity resulted in increased experience and proficiency of the operating personnel, and 1973 will offer equal or greater challenges to this important support function. We are confident that this area will continue to provide a service that is competent and efficient, supplying our customers on a timely basis with computer equipment that is both operationally sound and superior in outward appearance.

Kenneth E. Lancashire, Vice President and Secretary-Treasurer

Finance

Bank borrowings were reduced by $2,822,000 during 1972. This reduction resulted in substantial interest expense savings. A bank prime interest rate of 6 per cent throughout the year also contributed to lower interest expenses.

Cash flow projections indicate that our bank loans could be repaid by 1975, which is also the earliest date that our bank agreements could require repayment of the loans. The anticipated renewal of our bank agreements in May, 1973, would defer the minimum repayment period to mid-1976.

Images of machines associated with the type of Computer System marketed by the Company.

Being a publicly held company, Greyhound Computer's shares are traded on the two major exchanges.

Greyhound Computer throughout Canada

Anaconda Canada Limited
Avon Products of Canada Limited
Bell Canada
Bell-Northern Research

The Board of Education for the Borough of North York
The Board of Education for the City of Toronto
Border Brokers Limited
Bristol-Myers Products Canada

Canada Packers Limited
Canadian Admiral Corporation, Ltd.
Canadian Canners Limited
Canadian Ingersoll-Rand Company Limited

Canadian Pittsburgh Industries Limited
Computamatics Limited
Computer Graphic Systems
Crown Zellerbach Canada Ltd.

Doubleday Canada Limited
The T. Eaton Co. Limited
The Excelsior Life Insurance Company
General Accident Assurance Company of Canada

The Goodyear Tire & Rubber Company of Canada, Limited
Government of British Columbia,
Department of Industrial Development, Trade and Commerce
Department of Finance/Workmen's Compensation Board

Government of Canada,
Computer Service Bureau
Environment Canada
Ministry of Transport

Greb Industries Limited
GRM Data Services Limited
Hawker Siddeley Canada Ltd., Canadian Car Division
Home Oil Company Limited

Hudson's Bay Oil & Gas Company Ltd.
Hudson's Bay Company
Imperial Oil Limited
Intercontinental Pulp Company Ltd.

Kaiser Resources Ltd.
Kelly, Douglas & Co. Ltd.
Lenkurt Electric Co. of Canada, Ltd.
Litton Systems (Canada) Limited

MacDonald Tobacco Incorporated
MacMillan Bloedel Limited
Merck Frosst Laboratories
Minnesota Mining and Manufacturing of Canada Limited

Multiple Access Limited
William Neilson Limited
The New Brunswick Telephone Company, Limited
Newfoundland & Labrador Computer Services Limited

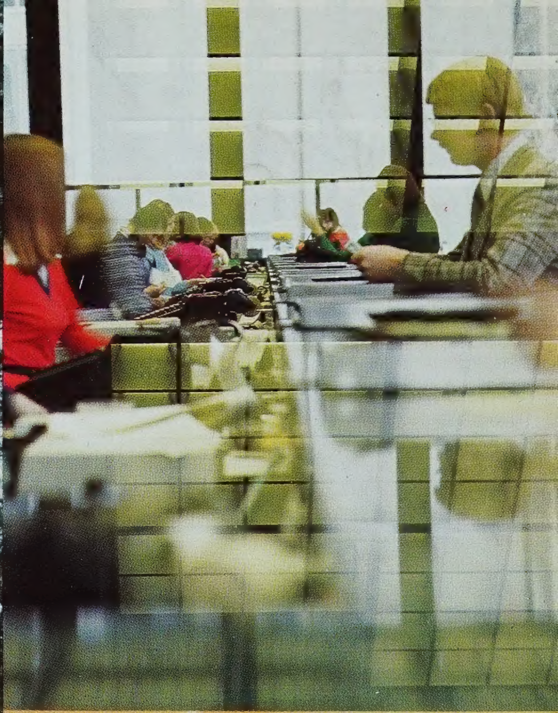
A. C. Nielsen Company of Canada Limited
Ontario Hydro
Phototype Associates
Pilkington Brothers Canada Limited

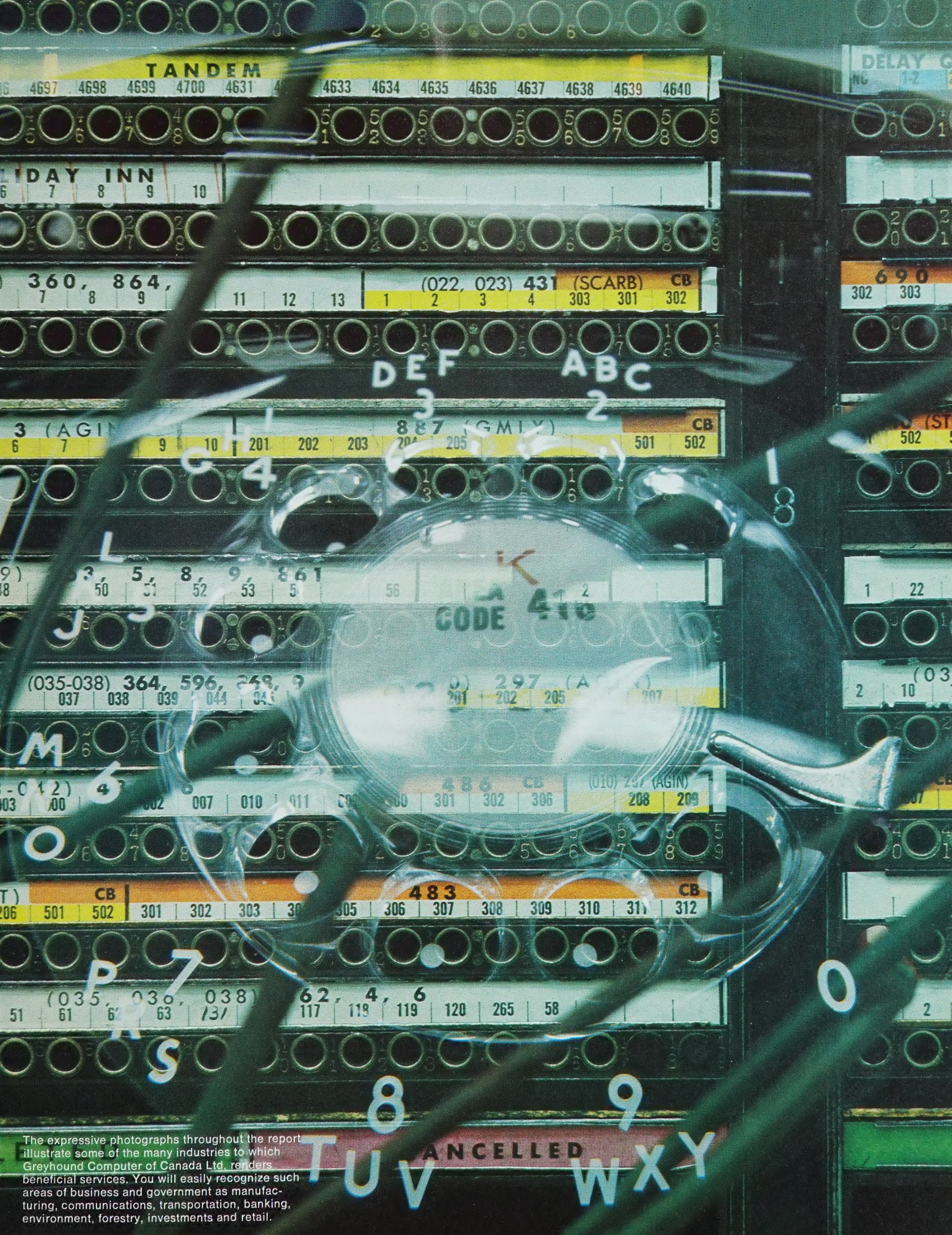
Polymer Corporation Limited
Robin Hood Multifoods Limited
Royal Bank of Canada
Scott Paper Limited

I. P. Sharp Associates Limited
Shaw & Begg Insurance Group
Southam Business Publications Limited
Steinberg's Limited

Sun Oil Company Limited
The Toronto-Dominion Bank
Trane Company of Canada, Limited
TransCanada PipeLines Limited

Triangle Data Systems Ltd.
Union Carbide Canada Limited
University of Toronto
Weldwood of Canada Limited



The expressive photographs throughout the report illustrate some of the many industries to which Greyhound Computer of Canada Ltd. renders beneficial services. You will easily recognize such areas of business and government as manufacturing, communications, transportation, banking, environment, forestry, investments and retail.

Greyhound Computer of Canada Ltd. and Subsidiary Company

(Incorporated under the Canada Corporations Act)

Consolidated Balance Sheet

Assets	December 31 1972	1971
Cash	$ 93,265	$ 35,340
Accounts Receivable	158,297	108,743
Less allowance for doubtful accounts	20,693	27,794
	137,604	80,949
Equipment Lease Receivables, due in instalments to 1978 ($250,968 in 1972 due within one year) (Note 2)	808,236	—
Less:		
Unearned income	127,353	—
Allowance for doubtful accounts	30,000	—
	650,883	—
Computer Equipment, at cost (Notes 3, 4 and 5)	22,762,805	23,505,579
Less accumulated depreciation	7,197,394	5,567,366
	15,565,411	17,938,213
Due from Greyhound Computer Corporation (parent)	44,407	—
Leasehold Improvements, Automobile and Office Equipment, at cost	88,329	81,705
Less accumulated depreciation	74,771	62,122
	13,558	19,583
	$16,505,128	**$18,074,085**

Auditors' Report

The Shareholders,
Greyhound Computer of Canada Ltd.

We have examined the consolidated balance sheet of Greyhound Computer of Canada Ltd. and its subsidiary as at December 31, 1972 and the consolidated statements of income and retained income, and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the Companies as at December 31, 1972 and the results of their operations and source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants.
Toronto, Ontario,
January 31, 1973.

Liabilities and Shareholders' Equity	December 31 1972	1971
Short-Term Liabilities:		
Accounts payable	$ 105,572	$ 136,457
Accrued expenses	225,362	118,384
Rentals received in advance	92,078	163,969
Income taxes	47,375	—
Current portion of long-term obligations	144,226	368,485
Due to Greyhound Computer Corporation (parent)	—	120,638
	614,613	907,933
Long-term Obligations, less current portion included above (Note 5)	6,766,158	9,363,692
Deferred Income Taxes (Note 6)	2,054,826	1,390,180
	9,435,597	11,661,805
Shareholders' Equity (Note 7):		
Capital stock, without par value		
Authorized — 6,000,000 shares		
Issued and fully paid — 4,000,000 shares	5,014,250	5,014,250
Retained income	2,055,281	1,398,030
	7,069,531	6,412,280
	$16,505,128	**$18,074,085**

On behalf of the Board

G B Clarke

Gordon B. Clarke, Director

Thomas J. Rogers

Thomas J. Rogers, Director

See notes to consolidated financial statements.

Consolidated Statement of Income and Retained Income

	Year Ended December 31	
	1972	**1971**
Revenues:		
Computer rentals (Note 3)	$4,668,713	$4,904,495
Earned income from equipment leases (Note 2)	111,443	—
	4,780,156	4,904,495
Expenses:		
Depreciation — computer equipment (Note 4)	2,075,331	2,105,757
Other direct leasing costs, including maintenance, reconfiguration and relocation of equipment	288,174	86,286
Interest (Note 5)	571,206	809,786
Selling, administrative and other operating expenses	476,173	462,871
	3,410,884	3,464,700
Income Before Income Taxes	1,369,272	1,439,795
Income Taxes (Note 6)		
Current	47,375	—
Deferred	664,646	748,693
	712,021	748,693
Income Before Extraordinary Items:	657,251	691,102
Extraordinary Items:		
Realized gain on foreign exchange	—	31,301
Organization expenses	—	(13,250)
Net Income	657,251	709,153
Retained Income, January 1	1,398,030	688,877
Retained Income, December 31	**$2,055,281**	**$1,398,030**
Net Income per Share		
Income before extraordinary items	$.16	$.17
Extraordinary items	—	.01
Net income	$.16	$.18

See notes to consolidated financial statements.

Consolidated Statement of Source and Use of Funds

	Year Ended December 31	
	1972	1971
Source of Funds:		
From operations		
Net income before extraordinary item	$ 657,251	$ 691,102
Depreciation — computer equipment	2,075,331	2,105,757
Deferred income taxes	664,646	748,693
Collections on equipment leases	339,312	—
Earned income on equipment leases	(111,443)	—
Provision for future commitment	80,000	—
	3,705,097	3,545,552
Disposal of computer equipment	744,520	190,079
Extraordinary items	—	31,301
	4,449,617	3,766,932
Use of Funds:		
Purchase of computer equipment	1,322,575	1,481,724
Repayment of bank borrowings	2,821,793	1,156,100
Repayment of borrowings from parent company	165,045	8,150
Payments on equipment purchase contracts	—	1,268,132
Decrease in other short-term liabilities	28,424	52,257
Increase in accounts receivable and other assets	53,855	14,324
Other items	—	33,724
	4,391,692	4,014,411
Increase (Decrease) in Cash	**$ 57,925**	**($ 247,479)**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 1972

1. Principles of Consolidation:

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiary, Canadian Computer Resources Limited since acquisition on November 30, 1972, using the purchase method of accounting. No goodwill arose as a result of the purchase of these shares for cash.

2. Accounting for Equipment Lease Receivables and Earned Income:

On Equipment Leases, the Companies receive as rent an amount greater than the equipment cost over the non-cancellable lease terms. Such leases are accounted for as follows:

Lease contracts receivable and unearned income (representing the difference between the lease receivable and the sum of the cost of related equipment on rental) are recorded when lease contracts become effective. The unearned income is taken into income on a declining basis over the life of the related lease. General and administrative expenses incident to consummating and recording leases are charged to expense when incurred. No earned income to offset these expenses is recognized at the time the leases are recorded.

3. Accounting for Computer Rental Revenues:

Substantially all computer leases are accounted for on the operating method. Computer rental revenues are [illegible]gnized in the period in which the rentals become [illegible]eceivable. Lease acquisition costs are charged to [illegible]pense when incurred.

[illegible] Investment in Computer Equipment:

[illegible]ompanies are third party lessors of data processing [illegible]mputer systems, principally IBM System/360 [illegible]ment. Substantially all computer leases are for [illegible] terms of one to three years, and lease payments [illegible]e remaining non-cancellable terms are less than [illegible]anies' remaining investment of $15,565,411 in [illegible]lated computer equipment. The recovery of the net [illegible]ment in computer equipment is dependent upon [illegible]e continued utilization of the equipment subsequent to the expiration of the initial leases, at satisfactory [illegible]ental rates.

A substantial portion of the computer leases have passed their non-cancellable terms and are subject to termination on 30-120 days' notice, in some cases upon payment of cancellation penalties.

[illegible] table below sets forth by year, on the basis of net [illegible]thly rentals, the approximate percentages of IBM [illegible]tem/360 computer equipment subject to cancellation.

[illegible]pment subject to [illegible]ase cancellation in:	Total	Subject to termination penalties	Without penalties
[illegible]73	71%	30%	41%
[illegible]974	26%	10%	16%
1975 and later	3%	2%	1%
	100%	42%	58%

The percentage of total equipment off rent was 10% at December 31, 1972, including 1% committed to new leases at that date, compared to 4% and 2%, respectively, at December 31, 1971.

IBM's introductions, from 1970 through 1972, of (1) certain lower-priced System/360 products, (2) a new series of computer equipment — System/370, including virtual memory announced in 1972 and described by IBM as a significant improvement over previous technology, and (3) a program of granting discounts of 8% and 16% respectively, for one and two year commitments on certain peripheral equipment (without charges for overtime use or maintenance), as well as competition from other sources, are resulting in significantly lower rentals on re-leases and renewals of System/360 equipment owned by the Companies.

Direct expenses incurred in relocating returned equipment and loss of rent during turn-around periods between customers are substantial. Computer leasing marketing activities in 1972 were directed primarily toward re-leasing of returned equipment and obtaining renewals of existing leases. Since 1969, the Companies have limited their purchase of computer equipment to situations where it was contractually obligated to upgrade a customer's equipment, where upgrading was necessary to maintain profitability on existing equipment or where additional equipment was purchased on an unusually favorable basis. IBM's current pricing of the System/370 makes it impractical for the Companies to purchase and lease these new products.

In addition to the adverse developments summarized above, the Companies recognize that future advances in computer technology and the development, manufacture and marketing of new computers could significantly influence any estimate of useful lives and future rentals or sales values of computers owned.

The Companies have implemented certain programs to enhance the marketability of their System/360 computers, and are presently developing additional programs. These enhancements include both extensions and modifications of the capabilities of the equipment itself (hardware) and operating and application programs (software) which improve customer utilization of the equipment.

After a careful review and evaluation of all of the above factors and the forecasts of the Companies' System/360 leasing operations, which anticipate lower net profits as a result of declining rental revenues and interest expense and increases in marketing, administrative and certain direct leasing costs, management believes that the remaining carrying amount of computer equipment will be recovered either by renewals, re-leasing or sale of the equipment.

Computer equipment at December 31, 1972 is stated at cost less accumulated depreciation as set forth below:

		Percent to total IBM/360 Cost
IBM System/360, at cost:		
Central processing units:		
Models 360/30-40	$ 8,470,306	38.3%
Models 360/50-65	3,255,336	14.8%
Total central processing units	11,725,642	53.1%
Peripheral equipment:		
Printers, card read/punches and related control units	3,798,385	17.2%
Disk and tape drives and related control units:		
High speed/capacity units	2,100,210	9.5%
Lower speed/capacity units	4,462,077	20.2%
Total disk and tape drives	6,562,287	29.7%
Total peripheral equipment	10,360,672	46.9%
Total IBM System/360	22,086,314	100.0%
Less accumulated depreciation	7,129,774	32.3%
	14,956,540	67.7%
Other computer equipment — net of accumulated depreciation of $67,620	608,871	
Total computer equipment — net	$15,565,411	

All computer equipment is depreciated on a straight-line basis. All IBM System/360 equipment is depreciated to a 10% residual value over ten years or to December 31, 1979, whichever is shorter. IBM System/360 equipment was purchased primarily in the years 1968 and 1969, and based upon present depreciation policies, will be depreciated to 31%, 22% and 13% of original cost at December 31, 1976, 1977 and 1978 respectively. Other computer equipment is depreciated over five years to a 10% residual value.

5. Long-term Obligations:

Loans payable to banks, except purchase money mortgages, guaranteed by the parent company, are subject to revolving credit agreements aggregating $8,000,000 with an interest rate of ½ of 1% in excess of the Canadian prime bank rate. As long as the Company maintains the required borrowings base no repayment is required; accordingly, no portion of the loans is classified as currently payable at December 31, 1972. However, indebtedness to any or all such banks not renewed by May 31, the annual renewal date, or not covered by continuing guarantees by the parent, becomes payable to such bank or banks over a term of three years.

The Company has contracted in each of the revolving credit agreements that it will grant security, at the requests of the banks, on its computer equipment or leases and that it will not otherwise encumber its computer equipment (other than by purchase money mortgages) or leases in Canada.

Loans payable to banks at December 31, 1972 include a $173,017 purchase money mortgage, repayable by instalments over the next four years and bearing interest at a rate of 7¾% per annum on the outstanding balance. Computer equipment purchased with this loan has been pledged as security to the bank. Interest on long-term obligations amounted to $571,206 in 1972 and $803,539 in 1971.

6. Deferred Income Taxes:

For income tax purposes depreciation is reported on a basis different from the financial reporting basis. Provision has been made for deferred income taxes relating to timing differences between depreciation reported for income tax purposes and the depreciation shown by the financial statements.

7. Stock Option Plan:

Under the Company's Incentive Stock Option Plan, 150,000 shares of the Company's capital stock has been reserved for purchase by officers and key employees of the Company and its related corporations. The price per share at which the options to purchase these shares may be exercised is the market price on the dates of granting of the options. Options become exercisable in four equal annual instalments commencing one year after the dates granted, and expire five years from the dates granted.

At December 31, 1972 options were outstanding on 102,000 shares as follows:

To directors and officers	Shares
Granted August 21, 1969 at $6.00 per share	4,000
August 12, 1970 at $1.275 per share	9,000
February 18, 1971 at $1.40 per share	28,000
November 17, 1972 at $1.30 per share	21,000
To key employees of the Company	
Granted November 15, 1971 at $1.80 per share	30,000
February 17, 1972 at $2.20 per share	5,000
May 15, 1972 at $2.15 per share	5,000
	102,000

8. Commitments:

The Company has contractual commitments in respect of long-term leases of real property which mature July 31, 1979. Annual rents under these leases aggregate approximately $98,000 of which approximately $72,000 relates to premises not occupied by the Company. Rentals recoverable in 1973 in respect of this remainder are expected to total approximately $23,000. A provision of $40,000 for loss on unoccupied leasehold premises is included in these financial statements.

The Company has acquired an equipment lease contract with future cancellation provisions which could amount to a possible future commitment of $80,000. This has been provided for during the year ended December 31, 1972.

9. Directors and Officers:

The Company has seven directors and seven officers, of whom three are directors. The directors received no remuneration as directors and the aggregate remuneration of officers for the year ended December 31, 1972 was $93,869 (1971 — $84,295).

The total remuneration of directors and senior officers (as defined by The Securities Act — Ontario) for the year ended December 31, 1972 was $127,788 (1971 — $102,038).

Directors and Officers

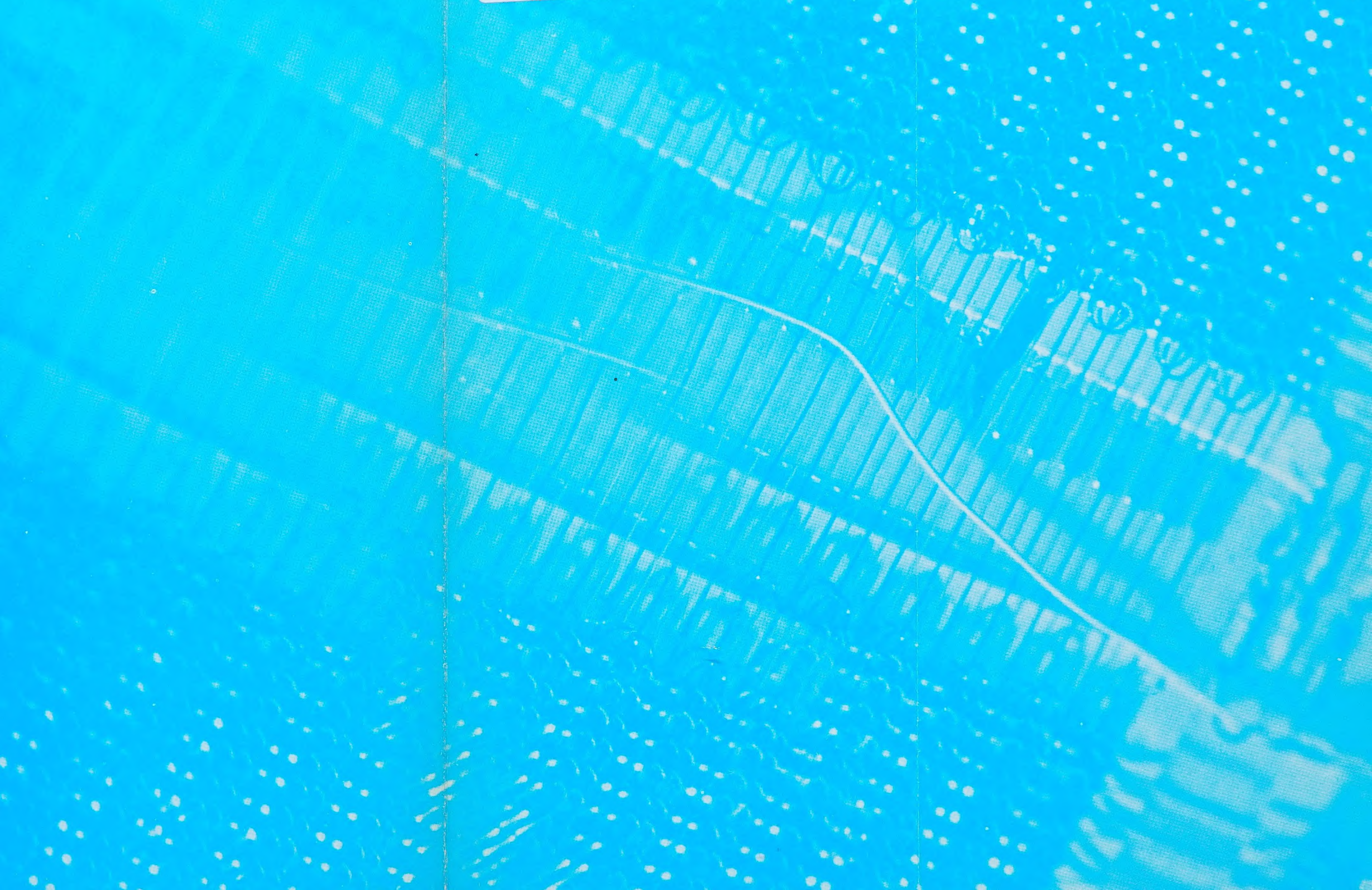
Directors	Robert L. Borden, Calgary Gordon B. Clarke, Phoenix Walter S. Owen, Vancouver Thomas J. Rogers, Toronto Raymond F. Shaffer, Phoenix Olie E. Swanky, Phoenix Gerald H. Trautman, Phoenix
Officers	Gerald H. Trautman, Chairman of the Board Gordon B. Clarke, Vice-Chairman Thomas J. Rogers, President and Chief Executive Officer Kenneth E. Lancashire, Vice President and Secretary-Treasurer W. Donald Maunder, Vice President, Marketing Leonard J. Michallef, Assistant Secretary Ronald G. Nelson, Assistant Secretary
Auditors	Touche Ross & Co., Chartered Accountants
Registrar and Transfer Agent	The Royal Trust Company
Stock Listing	The Montreal Stock Exchange The Toronto Stock Exchange
Bankers	Bank of Montreal Bank of Nova Scotia Canadian Imperial Bank of Commerce Royal Bank of Canada The Mercantile Bank of Canada
Head Office	Greyhound Computer Building 65 Adelaide Street East Toronto, Ontario M5C 1K8
Annual Meeting	The annual meeting of shareholders will be held at 10 a.m. on Wednesday, May 9, 1973 in the Toronto Room of the King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario.
Cover	The cover depicts the theme for the annual report this year, namely "Expanding Horizons". The photographer captures diversified action of the busy metropolitan area and by-products of its industries, all of which move toward distant horizons.

Design: BPW Creative Resource Group Limited
Printing: Herzig Somerville Limited

Greyhound Computer of Canada Ltd.

MIDYEAR REPORT JUNE 30 1972

Head Office:
Greyhound Computer Building
65 Adelaide Street East
Toronto 1, Ontario



Greyhound Computer of Canada Ltd.

August 4th, 1972

Dear Shareholder,

We are pleased to report improved revenues and earnings for the first six months of this year. Revenues increased to $2,427,230 from $2,385,482 in 1971. Net income of $340,818 was recorded for the period as compared with $337,380 last year.

The second quarter results were also ahead of last year with revenues increasing to $1,247,578 from $1,211,483. Net income for the quarter was $187,589, which represents an increase of 9 per cent over the 1971 figure of $172,366.

These results reflect our continuing success in the re-leasing of our present inventory of equipment at favourable rates, and the contributions made by our investment in new products.

The "Stretch 360" campaign to provide computer enhancement has proven successful. This has been due, in part, to the excellent market reception for the Fabri-Tek line of core memory products. Based on this success additional new products are being added to the "Stretch 360" campaign. We have just concluded an agreement with California Computer Products, Inc. (CalComp) to market their magnetic disk drives and tape drives in Canada. This equipment is designed for use on both the IBM /360 and /370 computer systems. CalComp is a leading manufacturer of quality peripheral equipment and these new products are expected to contribute to our further marketing success.

On behalf of the Board,

Olie E. Swanky,

Comparative Statement of Earnings
Six months ended June 30 (unaudited)

	1972	1971
Revenue	$2,427,230	$2,385,482
Depreciation	1,041,989	1,021,537
Interest	313,657	440,172
Other Expenses	361,546	285,694
	1,717,192	1,747,403
Income before Deferred Income Taxes and Extraordinary Items	710,038	638,079
Provision for Deferred Income Taxes	369,220	332,000
Income before Extraordinary Items	340,818	306,079
Realized Gain on Foreign Exchange	—	31,301
Net Income	340,818	337,380
Earnings per share	8.5¢	8.4¢
Average Shares Outstanding	4,000,000	4,000,000

Greyhound personnel demonstrate CalComp disk products at the Canadian Computer Show in Montreal.

Greyhound is marketing high-performance CalComp magnetic